

Chairman's Address to the AGM on 20 November 2020

Introduction

Welcome ladies and gentlemen to the Annual General Meeting of Platinum Asset Management Limited ("Platinum" or "Company"). My name is Michael Cole, the chairman of the company.

Today's meeting is being held via an online platform. This allows shareholders, proxies and guests to attend the meeting virtually. All attendees can watch a live webcast of the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes.

Questions can be submitted at any time. To ask a question please press on the speech bubble icon. This will open a new screen. At the bottom of that screen there is a section for you to type your question. When typing your question please indicate the specific item of business to which it relates. Once you have finished typing please hit the arrow symbol to send.

Please note that while you can submit questions from now on, I will address them under the relevant items of business.

Voting today will be conducted by way of a poll on all resolutions. In order to provide you with enough time to vote, I will shortly open the voting.

Once I have opened the voting, if you are eligible to vote at this meeting, a new polling icon will appear. Selecting this icon will bring up the list of resolutions and present you with voting options. To cast your vote simply select one of the options. There is no need to hit a submit or enter button as the vote is automatically recorded.

You do however have the ability to change your vote, up until the time voting is closed. Voting will close shortly after Andrew Clifford starts to deliver his informal address. I will give you a warning when voting is about to close. If the results of the poll are ready, I will announce the results of the poll after Andrew has delivered his address.

Now, for the formalities of the meeting, I table the Notice of Meeting dated 15 October 2020. Notice of the meeting was duly given and the meeting has been properly convened. I am advised that the necessary quorum (of 3 shareholders) is present. I therefore declare voting open on all items of business. The polling icon will soon appear, please submit your votes at any time. I will give you a warning before I move to close voting.

Financial results

It has been a somewhat challenging year for Platinum with investment returns for our flagship International Fund overshadowing some strong investment performance in other areas, most notably our Asia ex-Japan and Healthcare focused investment strategies.

This underperformance in the flagship fund translated into net fund outflows and lower funds under management, albeit that overall revenues were flat for the year and profit after tax was down only slightly, by 2%, when compared to the prior period.

Performance fee revenues of \$9.1 million (2019: \$30,000) were primarily attributable to strong relative performance by the Asia ex-Japan and Healthcare strategies. Other income increased from \$4.1 million in the previous year to \$13.7 million in the current year due to improved returns from seed investments.

Funds Under Management, or "FUM", at 30 June 2020 was \$21.4 billion, a decrease of 14% from the 30 June 2019 closing FUM of \$24.8 billion. The reduction in FUM was driven primarily by net fund outflows of \$3.0 billion.

Average FUM for the year decreased by 6% to \$23.7 billion from an average FUM of \$25.3 billion for the previous year.

The key revenue contributor of investment management fees declined by 6.5% in line with the reduction in average FUM. Importantly, investment management fee margins remained constant.

Dividends

The Board declared a 2020 final fully-franked ordinary dividend of 11 cents per share. This together with the interim fully-franked ordinary dividend of 13 cents per share, took total dividends for the 2020 financial year to 24 cents per share. The 24 cent per share annual dividend represents a 6.4% annualised yield based on the share price at 30 June 2020.

The Board has noted that over the past decade, it has consistently paid shareholders over 90% of the Company's profit after tax, as dividends. This is because the Company's capital requirements have been limited. The Board generally expects that most, if not all, future profits will continue to be distributed by way of dividends, subject to any capital requirements of the Company.

Remuneration matters

Included in the 2020 Remuneration Report on page 28 of the Company's 2020 Annual Report is a letter from the Chair of the Nomination and Remuneration Committee. I encourage all shareholders to read this letter, which outlines the remuneration policy of the Company.

Specifically, I note that no member of the investment team received variable awards under the Profit Share Plan and that Andrew Clifford, the Chief Executive Officer and Chief Investment Officer (CIO), did not receive any variable awards for the 2020 financial year. This is the second consecutive year in which Andrew has received no variable award.

In accordance with good corporate governance principles, the Non-Executive Directors' fees for the 2020 financial year consisted of fixed cash amounts and superannuation contributions, and did not change from the 2019 financial year.

Business development

Despite the limitations imposed by COVID-19, Platinum continued to develop its distribution presence offshore. In particular, our team of three London-based employees has been active in developing prospective relationships with UK and European investors, including through attendance at a number of virtual conferences and seminars. Our Dublin domiciled funds are currently passported into Finland, Germany, Italy, Ireland, Spain, Sweden, Switzerland and the UK. We remain confident that these efforts, while hampered in the short term by investment performance in certain strategies, will ultimately result in a more diversified business.

We also continued to leverage our distribution relationship with AccessAlpha Worldwide in the US, with trips to the US and virtual meetings being conducted by our investment specialists and members of our investment team, who met with a number of institutional prospects. To assist in this effort, two of the offshore funds were seeded by Platinum in June 2020. Seeding new funds is an important step in building FUM in these new products.

Locally, we modified and expanded our client engagement in response to COVID-19. Content and distribution of that content was expanded, and we embarked on a number of advertising campaigns across digital, print and social media. We also worked on enhancing our product and service development pipeline.

Appointment of Guy Strapp as Chairman

An important discipline for any company is planning for the transition at both management and Board levels. It is a testament to the founders of Platinum that a strong succession plan has been put in place to ensure that Platinum remains relevant and continues to attract the skills required to successfully adapt to these ever-changing markets.

I have been the Chairman of the Company since its listing on the ASX in 2007. As part of the Company's continued director renewal program, I intend to retire as Chairman of the Board and as a non-executive director of the Company, effective 20 November 2020, after the close of this AGM.

Guy Strapp joined the Board as an independent non-executive director of the Company effective 27 August 2020. With effect from 21 November 2020, assuming that he is re-elected at this meeting, he will assume the role of Chairman of the Board. Mr Strapp (CFA) has over 35 years' experience having worked in a variety of roles in Australia and abroad at Bank of America, JP Morgan Investment Management, Citigroup Asset Management and BT Financial Group. More recently, he held the positions of CIO and CEO of Eastspring Investments (formerly Prudential Asset Management) in Hong Kong.

Outlook for 2020-2021

At 31 October 2020, Platinum's FUM was \$21.8 billion, which represents an increase of 1.9% from the 30 June 2020 FUM of \$21.4 billion.

Markets have continued to appreciate in first four months of the new financial year and this appreciation has more than offset net outflows from our PT Funds.

In addition, it is encouraging to note that Platinum's early positioning in COVID recovery cyclical stocks has begun to be rewarded in recent weeks as equity markets start to digest the future implications of a vaccine led economic recovery in more cyclical stocks. Should these market conditions persist, any sustained investment performance improvement would bode well for Platinum's future asset and revenue growth.

That said, the Board does not provide earnings forecasts because of the uncertainty that surrounds both short-term stock market performance and investor sentiment.

Conclusion

In concluding my last Chairman's address, I would like to acknowledge Kerr Neilson who retired as an executive of Platinum in August this year.

The thing I know about Kerr is that he likes people to be brief and to the point so in honour of him I will be both. I was Kerr's boss when he resigned from Bankers Trust to establish Platinum. A brave move for anyone to leave a dominant brand and set out on your own. However, his outstanding investment performance during the 1987 stock market crash cemented his reputation as a portfolio manager with a unique perspective on global markets.

Kerr has always walked to the beat of his own drum. Imagine the conviction and foresight it took at the time for Kerr to establish a fund manager investing internationally from Australia. Kerr understood well ahead of most that the equity focus of Australian investors would become increasingly global and sometimes being a little physically separate from the "noise" could help cut through trends often missed by others.

Over a quarter of a century later Platinum has established itself as an investment name synonymous with global equity investing. With Kerr retiring from executive responsibilities Platinum remains a testament to his hard work, diligence, foresight and unique global investing vision.

Finally, I would like to thank all of you for your support during the last 13 years. I have full confidence in the ability of Platinum's management and the Board to take the Company forward over the next decade.

Michael Cole
Chairman
20 November 2020

Chief Executive Officer's Formal Address to the AGM on 20 November 2020

I would like to acknowledge the retirement of Michael Cole today, having served as Platinum's Chairman since its listing in 2007. Given Michael's significant industry experience, we have greatly valued your guidance and contribution throughout your tenure and we thank you for your commitment and service. We wish you the very best Michael.

Andrew Clifford
Chief Executive Officer
20 November 2020